



**AGENDA AND REPORTS**  
**JUNE 28, 2024**  
**MICROSOFT TEAMS**  
**1:00 PM**

**Microsoft Teams**  
**[Join the meeting now](#)**  
Meeting ID: 258 723 333 776

**Dial in by phone**  
**[+1 469-998-6202,,218571252#](#)**  
Phone conference ID: 218 571 252#

**OPEN PUBLIC MEETINGS ACT** - In accordance with the Open Public Meetings Act, notice of this meeting was given by:

- I.** sending sufficient notice to **The Record and The Star Ledger**
- II.** filing advance written notice of this meeting with the Clerk/ Administrator of each member municipality and,
- III.** posting notice on the Public Bulletin Board of all member municipalities.

**BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND**  
**AGENDA MEETING: JUNE 28, 2024**  
**1:00 PM**

**MEETING CALLED TO ORDER - OPEN PUBLIC MEETING NOTICE READ**

**PLEDGE OF ALLEGENCE**

**ROLL CALL OF 2024 EXECUTIVE COMMITTEE**

- Gregory Hart, Chair
- Richard Kunze, Secretary
- Gregory Franz, Executive Committee
- Donna Gambutti, Executive Committee
- Bob Kakoleski, Executive Committee
- Anthony Ciannamea, Executive Committee
- Erin Delaney, Executive Committee Alternate
- James Gasparini, Executive Committee Alternate
- Thomas Padilla, Executive Committee Alternate
- Joe Voytus, Executive Committee Alternate

**COMMITTEE REPORT:**

**STRATEGIC PLANNING COMMITTEE - Rich Kunze, Chair**  
*- May 24, 2024 Meeting Minutes - Appendix II*

**EXECUTIVE DIRECTOR - PERMA - Brandon Lodics**  
Executive Director's Report .....Page 2

**OLD BUSINESS**

**NEW BUSINESS**

**PUBLIC COMMENT**

**MEETING ADJOURNED**



To: Executive Committee, BMED/Gateway Regional Health Insurance Fund

From: PERMA Risk Management Services, Executive Director, BMED/Gateway HIF,  
Conner Strong & Buckelew, Benefits Consultant, BMED/Gateway HIF

CC: Strategic Planning Committee, BMED/Gateway Regional Health Insurance Fund,  
BMED/Gateway HIF Risk Managers

Date: June 21, 2024

Re: Out of Network Claim Surge – Varicose Vein Treatment

Beginning in April 2024, the BMED/Gateway HIF began to experience higher than usual medical payments. We have been monitoring the performance and believe we have identified a new utilization trend, which has had negative impact on the Fund’s performance.

In investigating the performance of the April paid claims, we discovered an uncharacteristic spike in out of network claims payments. In our research we have found that the treatment for Varicose Veins at out of network surgery centers has been on a rapid rise. In 2022, the Fund had \$16,000 in paid claims attributed to this diagnosis, so far in the first four months of 2024, the Fund has paid \$454,000.

We believe that providers in this arena are targeting Public Sector Benefit Plans with rich out of network plans and marketing this pain treatment directly to its employees.

Here is an example of services rendered and their corresponding payments.

icd9	ICD9 Desc	cpt	CPT Desc	Claim Payment
183.81	Varicose veins of lower extremities with pain	36476	ENDOVEN ABLTJ INCMPNTNT VEIN XTR RF 2ND+ VEINS	\$45,000.00
183.81	Varicose veins of lower extremities with pain	93971	DUP-SCAN XTR VEINS UNI/LMTD STD	\$593.00
183.81	Varicose veins of lower extremities with pain	93971	DUP-SCAN XTR VEINS UNI/LMTD STD	\$474.40
183.81	Varicose veins of lower extremities with pain	36475	ENDOVEN ABLTJ INCMPNTNT VEIN XTR RF 1ST VEIN	\$46,990.00
183.81	Varicose veins of lower extremities with pain	36476	ENDOVEN ABLTJ INCMPNTNT VEIN XTR RF 2ND+ VEINS	\$45,000.00
183.81	Varicose veins of lower extremities with pain	36475	ENDOVEN ABLTJ INCMPNTNT VEIN XTR RF 1ST VEIN	\$46,990.00
				\$449,802.52

In contrast we have reviewed claims for members who have received similar treatments at an in-network provider and the total paid claim was about \$15,000 in total.

ICD9	ICD9 Desc	cpt	CPT Desc	Paid Out of Network
183.81	Varicose veins of lower extremities with pain	36475	ENDOVEN ABLTJ INCMPTNT VEIN XTR RF 1ST VEIN	\$47,900.00
<b>Variations in Allowed Amounts</b>				
<b>Paid In Network</b>		<b>150 CMS</b>	<b>200 CMS</b>	
\$1,848.77		\$1,911.72	\$2,548.96	

As this is a concerning new trend that appears to be spreading rapidly, we are asking the BMED/Gateway HIF Executive Committee to take immediate action on the options recommended below to eradicate excessive payments going forward. Aetna has been instructed to pend all claims related to these services at the leading out of network providers operating in the BMED HIF’s footprint, some of which are being reviewed by Aetna for fraud.

**Recommended Action Options:**

- 1) All BMED Plans will only cover the above and associated procedure and associated surgery center codes up to and not to exceed the equivalent in network contracted rate.

The Strategic Planning Committee met last week and is recommending the BMED take action as soon as possible. Resolution 26-24 ratifies this decision.

Aetna has been put on notice that this action may be taken and can accommodate this change by July 1, 2024.

A letter to Fund Commissioners is included for Committee review.



To: Executive Committee, Gateway BMED Fund

From: PERMA Risk Management Services, Executive Director

Date: June 28, 2024

Subject: Change to Out-of-Network Procedures Capped at In-Network Level

In April 2024, the BMED Fund experienced a significant increase in medical claims. In reviewing the claims detail, it was discovered a new pattern of varicose vein treatment at out of network facilities was on the rapid rise.

These providers are charging and receiving an egregious amount for the services they are providing. Recent cases in the BMED/Gateway HIF resulted in the payment of \$450,000 for only three patients to one provider. We believe these providers are targeting rich public employer plans and marketing directly to unions offering free screening services and then suggesting very expensive follow up treatments.

Alternatively, at the in network the services per treatment would be less than \$15,000 per patient.

Given this emerging trend, the BMED/Gateway HIF Executive Committee meeting held an emergency meeting on June 28, 2024, to act before it escalated further. With the passing Resolution #26-24, the BMED/Gateway HIF will cap the out of network payment for the following procedure codes (CPT Codes): 36465, 36475, and 36476 at an amount not to exceed the highest in network allowed amount in the region. This action takes effect with claims on/ or after July 1, 2024.

cpt	CPT Desc
36475	ENDOVEN ABLTJ INCMPTNT VEIN XTR RF 1ST VEIN
36465	Non-compounded foam (NCF) sclerotherapy, for treatment of incompetent extremity truncal veins
36476	ENDOVEN ABLTJ INCMPTNT VEIN XTR RF 2ND+ VEINS

Should you have any questions, please reach out to our office

**RESOLUTION NO. 26-24**

**BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND**

**RESOLUTION TO REVISE MEMBER PLAN DOCUMENTS TO REFLECT CERTAIN OUT OF NETWORK PROCEDURE AND SURGERY CENTER CODES TO BE PAID AT THE HIGHEST IN NETWORK RATE**

**WHEREAS**, the Bergen Municipal Employee Benefits Fund (hereinafter “the Fund”) places the public trust above all else and remains steadfast in its commitment to the highest ethical standards in the conduct of its business on behalf of the taxpayers of the Fund members; and

**WHEREAS**, the Fund is fiduciary and holds a contract with Aetna as a Third Party Administrator to adjudicate claims as outlined in the member plan documents and Summary Benefits;

**WHEREAS**, the Executive Director of the Fund and Aetna performed a review of certain out of network claims whose paid amounts were excessively higher than the in network alternative, being paid by Aetna, with the following CPT codes: 36465, 36475 and 36476;

**WHEREAS**, the Executive Committee of the Fund reviewed the impact of the aforementioned claims and found it prudent that as of July 1, 2024 to instruct Aetna that the following CPT codes of 36465, 36475 and 36476 that are submitted by an out of network provider to be reimbursed, at an amount not to exceed, the highest contracted in network allowed amount;

**WHEREAS**, the Executive Committee evaluated the analysis and projected savings provided by the Executive Director and Aetna to instruct Aetna, as described above;

**NOW, THEREFORE, BE IT RESOLVED** the Fund approves the recommendation to instruct Aetna as indicated above and included in this resolution to then be reflected in the claims adjudication system with the Third-Party Administrator and the member plan documents retroactive to July 1, 2024; this will continue indefinitely;

**ADOPTED: June 28, 2024**

**BY:** \_\_\_\_\_  
**CHAIR**

**ATTEST:**

\_\_\_\_\_  
**SECRETARY**

# APPENDIX I

BMED Strategic Planning Committee

June 21, 2024

Teams, 3pm

Attendees:

Richard Kunze, Committee Chair

Greg Franz, Committee Member

Durene Ayer, Committee Member

Greg Hart, Fund Chair, Committee member

Brandon Lodics, Executive Director

Emily Koval, Associate Executive Director

Mr. Lodics opened the meeting at the direction of the Chair to discuss a recent claims development. He said that at the last meeting, the audit showed that the Metro Fund was experiencing high claimants from one particular out of network provider and appears to be seeping into the BMED as well. He said that there are these “wellness” focused out of network services and will come into public sector free screenings to attempt to get additional services. In the Metro this provider received \$3.3 million for 12 claimants.

3 claimants in one of our members in the BMED going to one provider and claims are very high, about \$400,000. The out of network in April added up to 55% of the claims which is very unusual for this fund. Our recommendation is to take the same action approach that the METRO did for this particular cPt code procedure which is a vein ablation on the legs. The charge can be up to \$250,000 per patient, but in network is about \$2000. We may have caught some of these

IN response to Commissioner Kunze, Mr. Lodics said that doctor is dr. Arad who provides the services and owns the surgical center. Commissioner Hart said he had this surgery which he was told it was a ‘cure-all’. He was not sure of the total billed cost. He said the marketing was strong. Mr. Lodics said Aetna investigated this for fraud and it was not found to be illegal. Aetna interviewed the claimants and they said the provider implanted the idea that these members were in pain. The Fund had never had this services as a chronic high claim cpt code when in network, leading us to believe the out of network bills are egregious. The members are not being billed the coinsurance or deductible.

Mr. Lodics reviewed the difference for the cpt payments if the member was in network; medicare or a stronger medicare percentage. In response to Commissioner Franz, Mr. Lodics said there are 3 current members in one group that are in process. He said he reached out to the broker to get more information and how they were approached.

Our recommendation is to cap the payments for the CPT codes that Metro referenced, at no more than the in- network rate going forward. In response to Commissioner Kunze, how do we let members know.



For the entity that had in Metro, there was communication which was shared to the BMED group. Mr. Franz said we should have Aetna have pre-approval for these procedures. Mr. Lodics said this procedure would require pre-approval and the provider provides the required information. He said we could identify more of these claimants under different billing codes. We believe that eliminating these providers would not be allowed through equal to or better.

Commissioner Hart said a letter is reasonable and no problem with the resolution. Commissioner Kunze said he would prefer to get a meeting schedule as soon as possible. There is some urgency. We can set the date today. Commissioners agreed to Friday, June 28. The Fund will advertise and continue to data mine for similar claims.

Mr. Lodics is working on global communication for all Funds to avoid having these providers come into the municipality.